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California Emergency Management Agency

January 30, 2009

Joe Gear  
Assistant Chief, Special Operations  
California Fire & Rescue Training Authority  
4427 Dudley Boulevard  
McClellan, CA 95722

Subject: Corrective Action Plan for Monitoring Narrative Report #M08-032

Dear Mr. Gear:

As you are aware, the California Emergency Management Agency (Cal-EMA) is responsible for monitoring subgrantees to ensure that all administrative, programmatic and financial responsibilities are fulfilled and in accordance with the individual grant guides and applicable rules and regulations.

We have completed our review of your submitted corrective action plan for fiscal year FY04-0045 grant programs and have concluded that you have implemented appropriate corrective action as prescribed in the Monitoring Narrative Report #M08-032. Therefore, no further action is required on your part.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Murphy'.

Brendan A. Murphy, Deputy Director  
Division of Administration  
Monitoring and Audits Unit

cc: Sarah Knight, Cal-EMA Program Representative  
Sherri Martucci, Business Manager, CFR TA  
Monitoring and Audits Unit, Chron File  
Grants Management Unit, Chron File



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## OFFICE OF HOMELAND SECURITY

September 29, 2008

Joe Gear  
Assistant Chief, Special Operations  
California Fire & Rescue Training Authority  
4427 Dudley Boulevard  
McClellan, CA 95722

Monitoring Report #M08-032

Dear Mr. Gear:

On September 18, 2008, the Office of Homeland Security (OHS), Monitoring and Audits Unit, Program Monitor, James Lewis conducted a desk monitoring review for the purpose of monitoring the California Fire & Rescue Training Authority OHS Grant Programs. I wish to thank you and your staff for the courtesy extended to Mr. Lewis during the review process. Enclosed, you will find the monitoring report for the following grants:

GRANT	PROGRAM NAME	PERIOD MONITORED
2004-0045 #067-91074	FY04 Homeland Security Grant Program (HSGP)	03/01/07 to 05/31/07

The monitoring included a review of staffing needs, operational practices, source documentation, activities, and data reporting requirements. In addition, the monitor examined the grant for compliance with federal financial, administrative and auditing requirements, program guidelines, and other mandates as applicable. Finally, the monitor performed a selected review of accounting records that support the amounts claimed in your reimbursement requests. Project expenditures were validated to provide reasonable assurance that expenses are related to the grant, proper records are maintained, and expenditures are properly authorized and recorded.

As a reminder, the purpose of monitoring is to assist projects in the achievement of their goals and aiding them in administering their grant funds in the most effective and efficient manner. The monitoring is used as a tool to assist the subgrantee in complying with these requirements. Your OHS Program Representative will receive a copy of the monitoring report. Their name and phone number are identified on the face sheet of the report.

If the monitoring report does not identify any findings, a Corrective Action Plan is not necessary and the monitoring process is complete. **If any findings are identified in the monitoring report, you will have 120 days from the last day of the monitoring review to submit a Correction Action Plan to the Program Monitor.**

The corrective action process provides two options:

**Option One – The subgrantee self certifies by the submission of an Action Plan that details the corrective steps implemented, and that any finding(s) noted in the monitoring report are resolved.**

**Option Two – Submission of an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff (i.e. technical assistance).**

When corresponding to our office regarding this monitoring report, please include the monitoring control number on all correspondence. Send your response to:

Governor's Office of Homeland Security  
Grants Administrative Section  
Monitoring & Audits Unit  
State Capitol  
Sacramento, California 95814

Thank you for your participation in the monitoring process. If you have any questions regarding this letter or the attached report, please feel free to contact me at (916) 323-3159.

Sincerely,



Brendan A. Murphy  
Deputy Director  
Division of Administration  
Grants Monitoring & Audits Unit

Attachment

cc: Sherri Martucci, JPA Business Manager  
Sarah Knight, OHS Program Representative  
Monitoring & Audits Unit, chron file  
Grants Management Unit, grant file



Monitoring Report Response Form

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TO: Governor's Office of Homeland Security Grants Management Section Monitoring & Audits Unit State Capitol Sacramento, CA 95814	Grant Numbers: <u>2004-0045</u>  Monitoring Control #M08-032 Number: _____  Response Due: <u>Jan. 16, 2009</u>
Attention: Brendan A. Murphy Deputy Director	

FROM: Subgrantee: \_\_\_\_\_

☐

**Completed**

I have reviewed the above referenced monitoring report and have submitted for your review and approval, an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number



**CALIFORNIA GOVERNOR'S  
OFFICE OF HOMELAND SECURITY  
MONITORING NARRATIVE REPORT**

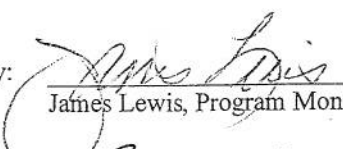
GRANT/FIPS NUMBER	PROGRAM NAME	PERIOD MONITORED	MONITORED AMOUNT
2004-0045 #067-91074	FY04 Homeland Security Grant Program (HSGP)	03/01/2007 to 05/31/2007	\$1,842,517.50

<b>State of California California Fire &amp; Rescue Training Authority "Swiftwater"</b>			
<b>AUTHORIZED AGENT:</b>	Sherri Martucci	<b>ADDRESS:</b>	4427 Dudley Boulevard McClellan, CA 95722
<b>CONTACT EMAIL:</b>	Martucci.sherri@smfd.ca.gov		
<b>CONTACT PHONE NUMBER:</b>	(916) 566-4418		
<b>ALTERNATE POINT of CONTACT:</b>	Joe Gear		
<b>CONTACT EMAIL:</b>	Joe.gear@oes.ca.gov		
<b>PROGRAM REPRESENTATIVE:</b>	Sarah Knight	<b>E-mail:</b>	Sarah.Knight@ohs.ca.gov
<b>PHONE NUMBER:</b>	(916) 322-9067		
<b>PROGRAM MONITOR:</b>	James Lewis	<b>E-mail:</b>	James.Lewis@ohs.ca.gov
<b>PHONE NUMBER:</b>	(916) 22-2335	<b>DATE OF MONITORING:</b>	August 22, 2008

**PERSONS INTERVIEWED DURING MONITORING VISIT**

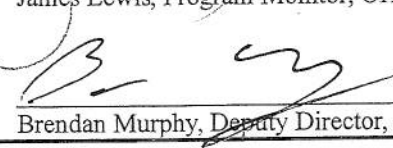
NAME	TITLE	AGENCY
Sherri Martucci	JPA Business Manager	Cal Fire & Rescue Training Authority
Joe Gear	Assistant Chief, Special Operations	OES - Fire & Rescue Branch

Prepared by:

  
 James Lewis, Program Monitor, OHS Administration Division, Monitoring & Audits Unit

 9/25/2008  
 Date

Approved by:

  
 Brendan Murphy, Deputy Director, OHS Administration Division, Monitoring & Audits Unit

 9/11/08  
 Date

Monitoring Date(s): August 22, 2008

# California Fire & Rescue Training Authority

## Monitoring Report

Monitoring Report Summary	Total # of Items in Category	In Compliance	Not in Compliance	Not Monitored	Not Applicable	Total
<b>A. Administrative Review</b>						
Review of Audit Reports	2	2				2
Grant Assurances	1	1				1
Grant Approval Notification	2	2				2
Performance Reports	1				1	1
Homeland Security Strategies	1	1				1
Publication of Published Materials	1				1	1
<b>B. Programmatic Review</b>						
Program Goals and Objectives	2	2				2
Exercise	2				2	2
Training	1				1	1
Planning	1		1			1
<b>C. Financial Management</b>						
Accounting System	8	7	1			8
Distribution of Funds	1				1	1
Advance of Funds	2				2	2
Change Requests/Modifications	2	2				2
Maintenance of Records	1	1				1
<b>D. Fiscal: Personnel Services</b>						
Management and Administrative Services	3	1	2			3
Overtime/Back Fill	3				3	3
<b>E. Fiscal: Procurement</b>						
Responsibility	1		1			1
Methods of Procurement	4	4				4
<b>F. Fiscal: Equipment &amp; Property Management</b>						
Equipment Purchases	3	3				3
Property Management & Records Keeping	2	2				2
<b>G. Subgrantee Monitoring &amp; Oversight</b>						
Subrecipient single audit requirements	1				1	1
Management and Administrative Responsibility	1				1	1
Overtime/Backfill/CTO Responsibility	1				1	1
Procurement Responsibility	1				1	1
Equipment & Property Management Responsibility	1				1	1
<b>Total</b>	<b>49</b>	<b>28</b>	<b>5</b>	<b>0</b>	<b>16</b>	<b>49</b>

# California Fire & Rescue Training Authority

## Monitoring Report

### PROGRAM SUMMARY

**Corrective Action Plan:** Required

### MONITORING REPORT DETAIL

**A. Administrative Review:** Subgrantee in compliance (6 items); Not applicable for Subgrantee (2 items).

1. **Review of Audit Report:** Subgrantee in compliance (2 items).
2. **Grant Assurances:** Subgrantee in compliance (1 item).
3. **Grant Approval Notification:** Subgrantee in compliance (2 items).
4. **Performance Reports:** Not applicable for Subgrantee (1 item).
5. **Homeland Security Strategies:** Subgrantee in compliance (1 item).
6. **Publication of Materials:** Not applicable for Subgrantee (1 item).

*Note:* Per response on the Monitoring Field Document.

**B. Programmatic Review:** Subgrantee in compliance (2 items); Subgrantee not in compliance (1 item); Not applicable for Subgrantee (3 items).

1. **Program Goals & Objectives:** Subgrantee in compliance. (2 items).
2. **Exercise:** Not applicable for Subgrantee (2 items)
3. **Training:** Not applicable for Subgrantee (1 item).
4. **Planning:** Subgrantee not in compliance (1 item).

Planning activities/costs allowable and applicable. Subgrantee not in compliance (1 item).



## California Fire & Rescue Training Authority Monitoring Report

- B. 3 **Requirement:** Per the Grant Guide, FY 2004-0045 Homeland Security Grant Program, eligible planning activities include but are limited to, enhancement of mutual aid agreements, development/enhancement of emergency operations plans, terrorism prevention/deterrence plans, response and recovery plans, cyber mitigation plans, communications and interoperability, continuity of operations/government, to facilitate eligible planning activities, etc. Further, per the Grant Guide FY 2004-0045 Homeland Security Grant Program, eligible planning costs include but are limited to: regular time, overtime, compensating time off, overtime and fringe benefits for current or newly hired full- or part-time staff to support eligible planning activities

**Finding #1:** In review of request for reimbursement request period 03/01/2007 through 04/30/2007, the supporting documentation, including the man hours accrued by Captain Tom Neville, does not total out to \$40,000. Further, there is no breakdown as to Capt. Neville's duty to develop or conduct assessments as indicated in the subledger.

4. **Action Required:** The subgrantee must provide proper documentation of Captain Neville's hours and duties as they pertain to eligible Planning costs and activities..

- C. **Financial Management:** Subgrantee in compliance (10 items); Subgrantee not in compliance (1 item); Not applicable for Subgrantee (3 items).

1. **Accounting System:** Subgrantee in compliance (7 items); Subgrantee not in compliance (1 item).

a. Financial Reporting: Subgrantee in compliance (1 item).

b. Source Documentation: Subgrantee not in compliance (1 item).

**Requirement:** 28CFR66.20(b)(6) and DOJ Financial Guide Part III, Chpt. 12, page 106, source documentation, states accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

**Finding #2:** Although there were only two reimbursement request periods, the invoices were readable, and no evidence of double billing, the subgrantee did not provide proper identification of payment on each document that is received for payment and would identify the grant source, grant number, payment source, budget, date paid, and project. Further, although the FY 2004-0045 Grant Guide indicates that salaries, regular time, overtime, travel, etc. can be paid out of Planning monies, the supporting documentation does not specifically label if the documents are either from Planning or from M&A.



## California Fire & Rescue Training Authority

### Monitoring Report

- C. 1. b. **Action Required:** The subgrantee must provide invoices that properly identify payment. Although not required, the Monitor recommends the use of a stamp that will be used on each document that is received for payment (invoices); the stamp will identify the grant source, grant number, payment source, budget, date paid, and project. The claim form cover sheets provide by the subgrantee should conveniently indicate if the documents are for either Planning or M&A costs.

Furthermore, the subgrantee needs to submit a written corrective action plan that ensures that all original and subsidiary documentation has safeguards that adequately ensures that costs charged to OHS grants are not also billed and/or reimbursed by other funding sources by containing the necessary information pertaining to expenditures.

- c. Double Billing: Subgrantee in compliance (1 item).
  - d. Supplanting: Subgrantee in compliance (1 item).
  - e. Accounting Basis: Subgrantee in compliance (1 item).
  - f. Commingling of Funds: Subgrantee in compliance (1 item).
  - g. General Ledger Accounting Structure: Subgrantee in compliance (1 item).
  - h. Costs Directly Related: Subgrantee in compliance (1 item).
- 2. **Distribution of Funds**: Not applicable for Subgrantee (1 item).
  - 3. **Advance of Funds**: Not applicable for Subgrantee (2 items).
  - 4. **Change Request/Modifications**: Subgrantee in compliance (2 items).
  - 5. **Records Maintenance**: Subgrantee in compliance (1 item).

- D. **Fiscal: Personnel Services**: Subgrantee in compliance (1 item); Subgrantee not in compliance (2 items); Not applicable for Subgrantee (3 items).

- 1. **Management and Administrative Services**: Subgrantee in compliance (1 item); Subgrantee not in compliance (2 items)
  - a. Allocation: Subgrantee in compliance. (1 item).
  - b. Allowable Costs/Activities: Subgrantee not in compliance (1 item).

## California Fire & Rescue Training Authority

### Monitoring Report

- D. 1. b. **Requirements:** DOJ Financial Guide Part III, CH 17, pg 122, approving rates for subgrantees are not at the recipient level of the Federal Grant, therefore is not approved for indirect cost. 28CFR66.20(b)(5), Applicable OMB cost principles, agency program regulations, and the terms of grant and sub-grant agreements must be followed to ensure that all costs are reasonable, allowable, and allocated appropriately.

**Finding #3:** Pursuant to C.1.b. (Finding #2), the Monitor notes that during the review the M&A costs were not specified either by the invoices or the claim form cover sheets to differentiate them from the Planning costs although the Monitor earlier reported that the FY 2004-0045 Grant Guide indicates that salaries, regular time, overtime, travel, etc. can be paid out of Planning monies.

**Action Required:** Apply the same action required for Compliance C.1.b. (Finding #2).

- c. **Functional Timesheets:** Subgrantee not in compliance (1 item).

**Requirement:** OMB Circular A-87, Attachment B, #8(h)(4) states, in part, "Charges to Federal awards for salaries and wages...will be based on payrolls documented in accordance with generally accepted practice...that salaries and benefits of personnel supported by more than one grant or project must be verified by functional timesheets of the time spent on each grant project/activity."

**Finding #4:** In review of request for reimbursement request period 03/01/2007 through 04/30/2007, the Subgrantee maintained functional timesheets for Planning, but did not provide functional timesheets for M&A, or indicate if the timesheets were for detailed to validate the review of allowable personnel compensation. However, the job announcement and duty statement clearly define that the employee's salary and benefits are eligible and reasonable.

- c. **Action Required:** The subgrantee must provide functional timesheets, if applicable for those personnel paid out through OHS funds. Since the subgrantee does have available functional timesheets, the Monitor requests that the subgrantee self-certify that the timesheets will be used to support personnel charged to all Office of Homeland Security Grants. In addition, the OHS requires the subgrantee to account for all M&A costs and provide a reconciliation report (allocation plan) detailing the expenditures reported for each individual grant year. The subgrantee must provide a detail worksheet that reflects:

- hours charged to the (broken down by year, activity, & project),
- wage of employee; and
- Benefits charged to the grant.



## California Fire & Rescue Training Authority Monitoring Report

D. 2. **Overtime/Backfill and/or CTO:** Not applicable for Subgrantee (3 items).

E. **Fiscal: Procurement:** Subgrantee in compliance (4 items); Subgrantee not in compliance (1 item).

1. **Responsibility:** Subgrantee not in compliance (1 item).

**Requirement:** 28CFR66.35 and 66.36 states that the subgrantees are responsible for maintaining a written code of standards of conduct regarding the settlement and satisfaction of all contractual and administrative issues arising from contracts of the subgrantee and grant award procurements. This responsibility includes, but [is] not limited to the procurements process, Davis-Bacon Act, NEPA/CEQA, disputes, debarment and/or exclusion issues, and protests of awards.

**Finding #5:** The California Fire & Rescue Training Authority Procurement/Purchasing Policy and procedures manual does not include following provisions:

- Debarment, suspensions and/or exclusion requirements.
- Protests of award/disputes.
- Davis-Bacon Act, NEPA (National Environmental Protection Act)/CEQA (California Environmental Quality Act).

**Action Required:** The subgrantee must ensure that the debarment status of future potential awardees are determined prior to making an award. The California Fire & Rescue Training Authority Procurement Policy or a separate addendum must cite the federal standard which includes the requirement for ensuring persons or entities that have been debarred or suspended at the federal level will not be awarded contracts and/or consulting agreements under OHS grants. Furthermore, the policy must address protests of award/disputes and issues concerning the Davis-Bacon Act and NEPA/CEQA requirements.

2. **Methods of Procurement:** Subgrantee in compliance (4 items).

F. **Fiscal: Equipment & Property Management:** Subgrantee in compliance (5 items).

G. **Subgrantee Monitoring & Oversight:** Subgrantee in compliance (4 items); Not applicable for Subgrantee (1 item).

a. Audits of Subrecipients Responsibility: Subgrantee in compliance (1 item).

b. Management & Administration (M&A) Responsibility: Subgrantee in compliance (1 item).



## California Fire & Rescue Training Authority Monitoring Report

- c. Overtime/Backfill/CTO Responsibility: Not applicable for Subgrantee (1 item).
- d. Procurement Responsibility: Subgrantee in compliance (1 item).
- e. Equipment & Property Management Responsibility: Subgrantee in compliance (1 item).

California Fire & Rescue Training Authority  
Monitor Review Findings for #M08-032  
Corrective Action Plan

**Finding #1:** In review of request for reimbursement period 3/1/2007 through 4/30/2007, the supporting documentation, including the man hours accrued by Captain Tom Neville, does not total out to \$40,000. Further, there is no breakdown as to Capt. Neville's duty to develop or conduct assessments as indicated in the subledger.

**CAP Required:** The subgrantee must provide proper documentation of Captain Neville's hours and duties as they pertain to eligible Planning costs and activities.

**Action Taken:** The subgrantee stated staff submitted a request to Cal-EMA (then OHS) to reduce the Planning budget to \$21,248 which would assist in reflecting Capt. Neville's hours but received no response. For the present, the subgrantee states that the OHS representative did not respond to as request for a budget modification to the FY04 grant. The current Cal-EMA representative stated in an e-mail dated January 21, 2009, that the budget modification had been approved by the Grants Unit (see e-mail). It is understood by the Monitor in the subgrantee's statement that Capt. Neville's costs were for the planning of the equipment, the planning of how it was to be received, the development of the specifications of the vehicle and equipment to be used, plans for the equipment and conducted assessments of how the equipment would be used. Upon review of the response from the Cal-EMA Grants Unit and the full explanation and corrective action by the subgrantee, I concur that this finding has been sufficiently corrected.

**Finding corrected.**

**Finding #2:** Although there were only two reimbursement request periods, invoices were readable, and no evidence of double billing, the subgrantee did not provide the proper identification of payment on each document that was received for payment and would identify the grant source, grant number, payment source, budget, date paid, and project. Further, although the FY 2004 & 2005 Grant guide indicates that salaries, regular time, overtime, travel, etc., can be paid out of Planning monies, the supporting documentation does not specifically label if the documents are either Planning or from M&A.

**CAP Required:** The subgrantee must provide invoices that properly identify payment. Although not required, the monitor recommends the use of a stamp that will be used on each document that is received for payment (invoices); the stamp identifies the grant source, grant number, payment source, budget, date paid and project. The claim form cover sheets provided for the subgrantee should conveniently indicate if the documents are for either Planning or M&A costs. Further, the subgrantee needs to submit a corrective action plan that ensures that all originals and subsidiary documentation has safeguards that adequately ensure that costs charged to the OHS grants are not also billed and/or reimbursed by other founding sources by containing the necessary information pertaining to expenditures.

**Action Taken:** The subgrantee indicated the corrective action was taken and completed. The subgrantee implemented the use of a stamp as I had recommended. The claim form



cover sheet will now indicate items and their descriptions of either Planning or M&A costs. They anticipated completion date was January 13, 2009.

**Ending Corrected.**

**Finding #3:** Pursuant to C.1.b. (Finding #2), the Monitor notes that during the review M&AS costs were not specified by either the invoices or the claim form cover sheets to differentiate them from the Planning costs although the monitor earlier reported that the FY 2004-0045 Grant Guide indicates that salaries, regular time, overtime, travel, etc., can be paid out of Planning monies.

**CAP Required:** The subgrantee must apply the same action as previously required in C.1.b. (Finding #2).

**Action Taken:** The subgrantee applied the same corrective action taken to resolve Finding #2. The claim form cover sheet will now indicate items and their descriptions of either Planning or M&A costs. They anticipated completion date was January 13, 2009. The subgrantee submitted a monthly activity log with M&A and Planning selection boxes.

**Finding Corrected.**

**Finding #4:** In review of reimbursement request period 3/1/07 through 4/30/07, the subgrantee maintained functional timesheets for Planning, but did not provide functional timesheets for M&A or indicate if the timesheets were detailed to validate the review of allowable personnel compensation. However, the job announcement and duty statement clearly define that the employee's salary and benefits are eligible and reasonable.

**CAP Required:** The subgrantee must provide functional timesheets, if applicable for those personnel paid out through funding from the former Office of Homeland Security. Since the subgrantee does have available functional timesheets, I'd requested that all subgrantee self-certify that the timesheets will be used to support personnel charged to all Homeland Security grants. In addition, the California Emergency Management Agency (Cal-EMA) requires the subgrantee to account for all M&A costs and provide reconciliation report (reallocation plan) detailing the expenditures reported for each individual grant year. The subgrantee must provide a detail worksheet that reflects the following: (1) hours charged to the project (broken down by year, activity and project); (2) wage of employee; and (3) benefits charged to the grant.

**Action Taken:** The subgrantee self-certified that the timesheets would be used to support personnel charged to all Homeland Security grants. The subgrantee provided both the functional timesheet and the reconciliation report to indicate M&A charged to the FY04 grant.

**Finding Corrected.**

**Finding #5:** The California Fire & Rescue Training Authority Procurement/Purchasing Policy and procedures manual does not include the following provisions: (1) debarment, suspensions and/or exclusion requirements; (2) protests of awards/disputes; and (3) Davis-Baron Act, NEPA (National Environmental Protection Act/CEQA (California Environmental Quality Act).

**CAP Required:** The subgrantee must ensure that the debarment status of future awardees are determined prior to making an award. The California Fire & Rescue



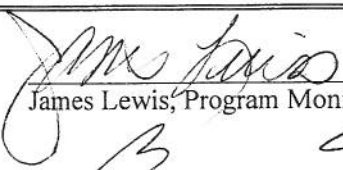
Training Authority Procurement Policy or a separate addendum must cite federal standards which include the requirement for ensuring persons or entities that have been debarred or suspended at the federal level will not be awarded contracts and/or agreements under OHS grants. Furthermore, the policy must address protests of award/disputes and issues concerning the Davis-Bacon Act and NEPA/CEQA requirements.

**Action Taken:** The subgrantee stated their Procurement Policy was revised, and I concur with the self-certification after a review of their submitted revision. Further, the subgrantee stated there would be the implementation of a stamp on all grant-related purchase orders indicating that vendors are not listed on the Excluded Parties List System for debarment and exclusion. The subgrantee stated this began November 12, 2008.

**Finding Corrected.**

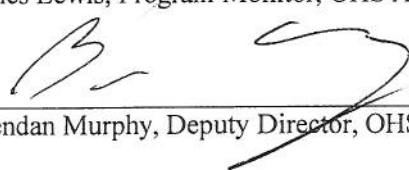
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Prepared by:

  
James Lewis, Program Monitor, OHS Administration Division, Monitoring & Audits Unit

  
Date

Approved by:

  
Brendan Murphy, Deputy Director, OHS Administrative Division, Monitoring & Audits Unit

  
Date